



"To enrich lives through effective and caring service"



Santos H. Kreimann
Director

Kerry Silverstrom
Chief Deputy

July 06, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**CONTRACT FOR PARKING LOT MANAGEMENT SERVICES
COUNTY-OPERATED BEACHES AND MARINA DEL REY
PARKING CONCEPTS, INC., CONTRACT NO. 75379
AMENDMENT 1 – ONE-YEAR EXTENSION
(SUPERVISORIAL DISTRICTS 3 AND 4)
(3 VOTES)**

SUBJECT

This action will provide for a one-year extension of the contract with Parking Concepts, Inc. for parking lot management services at County-operated public beaches and Marina del Rey.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve a one-year extension to Contract No. 75379 with Parking Concepts, Inc., from October 16, 2010 through October 15, 2011, at the current annual amount not to exceed \$1,496,845, plus a 2% incentive bonus to the extent Parking Concepts, Inc. collects parking receipts equal to or exceeding the average monthly gross revenue for the same month in the three preceding years.
2. Delegate authority to the Director of the Department of Beaches and Harbors to execute Amendment 1 to Contract Number 75379 with Parking Concepts, Inc. to effect the one-year extension of the contract.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The Department of Beaches and Harbors (Department) is requesting a one-year extension to its

contract with Parking Concepts, Inc. (PCI) for parking management services until the outcome of the California State Parks and Wildlife Conservation Trust Fund Act of 2010 (2010 State Parks Initiative), an initiative that qualified for the November ballot, is known. The extension is necessary due to the 2010 State Parks Initiative's significant impact on the parking management services contract if enacted into law.

On September 13, 2005, your Board approved a three-year parking lot management services contract with PCI at County-operated beaches and Marina del Rey, for an annual amount not to exceed \$1,496,845, plus a potential 2% incentive bonus provided PCI collected parking receipts equal to or exceeding the average monthly gross revenue for the same month in the three preceding years. The contract allowed for two one-year extension options that could be exercised by mutual consent of the Director of Beaches and Harbors and the contractor. The current and last option year extension expires on October 15, 2010. The Department, therefore, was preparing a Request for Proposals (RFP) to solicit these contractor-provided services when the 2010 State Parks Initiative came to light.

The 2010 State Parks Initiative would establish an \$18 annual State vehicle license surcharge, which would allow free admission to all State parks to currently-registered California vehicles. The Department operates two State facilities that will be affected if this initiative passes, Will Rogers State Beach and Isidore B. Dockweiler State Beach. Because the Department will be unable to charge parking fees at these two facilities, the contractor will not be required to staff these two parking lots (given that the number of contractual staffing hours assigned to these two facilities is approximately 25% of the total staffing hours, passage of the 2010 State Parks Initiative will result in a significant impact on the scope of work of the contract).

Because of the uncertainty surrounding the potential passage of the 2010 State Parks Initiative, the County may receive cost proposals with higher bids reflecting increased contractor risk. As a result, the Department recommends putting the solicitation on hold until the outcome of the proposed piece of legislation is known and the RFP may reflect the actual parking management services required. Therefore, the Department requests that a one-year contract extension with PCI be approved by your Board at the same contract cost and terms to allow the Department to commence the solicitation process subsequent to the November election and receive the most advantageous cost proposals for the County. Please note that in the event the 2010 State Parks Initiative becomes law, the Department will reduce staffing at the affected facilities starting on January 1, 2011, as allowed by provisions in the current contract.

Implementation of Strategic Plan Goals

The extension of the contract will promote and further the Board approved Strategic Plan Goal of Operational Effectiveness, Strategy 1, Fiscal Sustainability, by ensuring that the County receives the most advantageous cost proposals in its solicitation for a new parking contractor.

FISCAL IMPACT/FINANCING

The total cost to provide parking lot management services through the extension year, October 16, 2010 through October 15, 2011, is \$1,496,845, plus a 2% incentive bonus to the extent PCI collects parking receipts equal to or exceeding the average monthly gross revenue for the same month in the three preceding years. The annual amount for parking receipts is projected to be \$9.65 million.

Operating Budget Impact

The contract cost from October 16, 2010 through June 30, 2011 and the parking receipts have been included in the Department's 2010-11 Adopted Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

An amendment substantially similar to Attachment A will be executed with PCI upon your Board's approval of this action.

PCI is party to a bona fide Collective Bargaining Agreement with Teamsters Local Union No. 911 and has been previously approved for an exemption under County Code Chapter 2.201, the Living Wage Program.

The Auditor-Controller reviewed the avoidable cost comparison at the time the contract was initially awarded and concurred that these services are more economically performed by an independent contractor than by County employees. Given that an increase in the annual contract amount is not requested as part of this amendment, the Department did not conduct an updated avoidable cost comparison.

The amendment has been approved as to form by County Counsel.

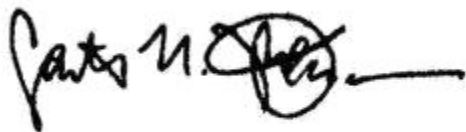
IMPACT ON CURRENT SERVICES (OR PROJECTS)

There is no impact on current services or projects. The extension of the contract will provide for the continuation of parking lot management services.

CONCLUSION

Authorize the Executive Officer of the Board to send four approved copies of this letter to the Department of Beaches and Harbors.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Santos H. Kreimann", followed by a horizontal line.

SANTOS H. KREIMANN
Director

SHK:SDP:ks

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors
Office of Affirmative Action Compliance

AMENDMENT 1 TO CONTRACT NO. 75379

THIS AMENDMENT, made and entered into this ____ day of _____, 2010, by and between the COUNTY OF LOS ANGELES, a body corporate and politic (hereinafter referred to as COUNTY), and PARKING CONCEPTS, INC. (hereinafter referred to as CONTRACTOR).

WHEREAS, Contract No. 75379 (Contract) was entered into between the COUNTY and the CONTRACTOR on September 13, 2005 to provide parking lot management services for an initial period of three years, commencing on October 16, 2005 through October 15, 2008, with two one-year renewal options; and

WHEREAS, the COUNTY and the CONTRACTOR have renewed the Contract for both the first and second option years, with the second and last option year ending on October 15, 2010; and

WHEREAS, the COUNTY has determined that it is in its best interest to extend the contract for one additional year at the same annual cost and terms; and

WHEREAS, the CONTRACTOR is agreeable to continuing to provide these services at the same annual cost and terms for one additional year; and

WHEREAS, the CONTRACTOR is currently exempt from the County Code Chapter 2.201, Living Wage Program, because of its collective bargaining agreement with Teamsters Local Union No. 911.

NOW, THEREFORE, in consideration of these facts and payment to be made by the COUNTY, the COUNTY and the CONTRACTOR agree that Contract No. 75379 between them shall be amended as follows:

1. Paragraph 1.3 is amended to add Paragraph 1.3.5 to read as follows:

1.3.5 Further Extension of the Contract. The Contract will be extended for one additional year from October 16, 2010 through October 15, 2011.

2. CONTRACTOR will continue to keep its bargaining agreement in force throughout the extension of the Contract and understands that if the said bargaining agreement expires during the term of the Contract, the exemption from the County Code Chapter 2.201, Living Wage Program, is terminated and the CONTRACTOR will be obligated to pay its employees a rate not less than \$9.64 per hour with \$2.20 per hour in health benefits or \$11.84 per hour without health benefits.

3. Except as modified by this AMENDMENT 1, all other terms, conditions, requirements, specifications, and prices of this Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the COUNTY has, by order of its Board of Supervisors, caused this Amendment to be subscribed by the Director of Beaches and Harbors, and the CONTRACTOR has subscribed its name by and through its duly authorized officer, as of the day, month, and year first written above.

COUNTY OF LOS ANGELES

By _____
Director, Beaches and Harbors

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By _____
Deputy

Parking Concepts, Inc.

By _____